

In addition to compliance with federal and state laws as well as University policies, there is the concept of a system of internal control. The Committee of Sponsoring Organizations of the Treadway Commission (COSO) defines internal control as “a process, effected by an entity’s board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.”

Internal controls are important because they help individuals, offices, departments, divisions, campuses or universities to reduce the possibility that something will go wrong. It’s not that an organization doesn’t have trust in its employees, but internal controls exist to prevent bad things from happening. In addition, security is provided for those that follow them. There are three types of internal controls:

- 1) Preventive – designed to keep errors or irregularities from occurring. Two common examples of this are policies or laws and segregation of duties.
- 2) Detective – designed to detect errors or irregularities that have already occurred. One of the most common examples of this is review processes.
- 3) Corrective – designed to correct errors or irregularities that have been detected. An example of this is the procedure or procedures in place to handle detected situations. A corrective control may be to add a preventive or detective control so the irregularity or error doesn’t reoccur.

In order for the University to achieve strong internal controls, every individual has a responsibility to work toward attaining those standards. There are several things an employee can do to strengthen internal controls, including:

- **Familiarize yourself with University policies and any applicable federal or state laws.** You don’t have to read every policy word for word, but you should at least know where to find any policies relevant to your position and who to ask if you’re not sure where to look. Most policies reference a federal or state law that can also be helpful.
- **Make sure all information on receipts is readable and do not highlight.** If it’s not readable, request a different copy, or handwrite the information on a piece of paper, print and sign your name, and include the date to certify the information is correct. Receipts and documents are scanned in black and white. If you highlight something instead of circling it, it will be blacked out. If documentation is not readable once it is scanned or requested for viewing at a later time, it might as well not exist.
- **Print your name and the date in addition to your signature on forms and documents,** even when there isn’t a line for it. This ensures that everyone knows who signed the document as well as when it was signed to avoid any potential confusion about what actually occurred.
- **Never do something without proper approval.** Your supervisor should always have an idea of what you are working on or where you are spending your time. You should also have a clear understanding of what your job duty boundaries are and what you can or cannot do within those boundaries.
- **Verify all information is correct before signing your name.** When signing, you are certifying the information is correct to the best of your knowledge in accordance with University policy and federal and state laws. Don’t sign something unless you have verified the information. Otherwise, you may be held liable if something goes wrong. If you are told to sign it against your better judgment, see the bullet point about reporting the situation. Be sure to also document in writing that you advised against it, include your reasoning, and mention who instructed you to act otherwise.

- **Get written documentation of any decisions made by management.** Verbal decisions or exceptions to University policy only work until something goes wrong, or if the individual providing the approval leaves, the approval can't be verified. If the approvals are in writing, you have proof the decision came from someone other than yourself, and you were authorized to act accordingly. Exceptions to policy and signature authorities should be obtained annually.
- **Obtain approval from up the chain, not down.** If you are the individual who initiated that transaction, there is no alternative for your signature. A secretary or administrative assistant may prepare a form or document on your behalf, but only you can sign it. If you are the individual who signs as a supervisor or oversight administrator (e.g. dean, director, division or department head, etc.) and are unavailable, the approval request should go to the person you report to. Do not designate someone at your level or below in the organization chart as there could be a potential conflict of interest. However, if you are considered to be upper management (e.g. area executive administrator, vice president or president), it is often difficult to get approvals up the chain if more than one approval signature is required. A written designation may be authorized at this level for someone you supervise or is equal to your position.
- **And the most important – if you see something, say something!** This is not about trying to get someone in trouble or “tattling.” It is about protecting yourself, students, employees, the University, and taxpayer funds in addition to doing the right thing. Eastern New Mexico University is committed to maintaining the highest levels of integrity and professional ethics. Any individual acting in good faith is strongly encouraged to report any concerns for things that may be taking place within the University. An anonymous reporting form is available both online as well as in PDF format for your use. Reports received by Internal Audit are taken very seriously and will be investigated thoroughly.